

1 Terri Jones; and obtained investigation reports from the Department of Justice. The
2 investigation confirmed, in part, many of the facts on which the Commission found reason to
3 believe, that is, that there were hundreds of transactions over a seven-year period that appear to
4 have had no legitimate campaign purpose and were not disclosed in the Committee's disclosure
5 reports, but through which the Jacksons diverted funds in excess of \$750,000 from the
6 Committee for their personal use. We also confirmed that the Committee closed its accounts in
7 2013, has no cash on hand, and is essentially defunct. Finally, our investigation identified the
8 persons identified in the First General Counsel's Report as Unknown Persons D, E, and F as
9 Tami White, Gregory B. Calhoun, and Jerome P. Rowan, respectively, and the identities of
10 Persons E and F's corporations as Calhoun Enterprises, Inc., and Rowan International, LLC,
11 respectively.

12 Based on the information that we obtained, and for the reasons explained below, we
13 recommend that the Commission take no further action with respect to the Committee, the
14 Jacksons; and former treasurers Jones and Pasley. With respect to now-identified persons D, E,
15 and F, we recommend that the Commission find no reason to believe as to White, and take no
16 further action as to Calhoun, Rowan, Calhoun Enterprises, Inc., and Rowan International, LLC.

17 **II. FACTUAL AND LEGAL ANALYSIS**

18 **A. Take No Further Action as to the Jacksons and the Committee**

19 The Jacksons — the primary perpetrators and beneficiaries of the scheme — were
20 incarcerated for their misconduct and were ordered to pay restitution and forfeiture.⁵ The

⁵ First Gen. Counsel's Rpt. at 3, n.3 (describing Jackson, Jr.'s guilty plea to conspiracy to commit mail and wire fraud and making false statements, and Sandra's guilty plea to filing false tax returns that failed to report as

1 Committee appears to be defunct. The Commission has previously exercised its prosecutorial
2 discretion and declined to pursue matters where it determined that a related criminal conviction
3 adequately vindicated its civil enforcement interests under the Act. The Commission has taken
4 this approach in a few matters within the following parameters: the respondent pled guilty to at
5 least one criminal count directly relating to a federal campaign finance law violation; the facts in
6 the civil matter under review relate to the count(s) to which the respondent pled guilty in the
7 criminal matter; and the respondent experienced substantial criminal punishment.⁶ By contrast,
8 the Commission has taken further action, notwithstanding a criminal conviction, when the
9 criminal conviction or plea did not specifically vindicate the Act's discrete civil enforcement
10 interests, *i.e.*, where the criminal count(s) to which the respondent pled guilty or was convicted

income the funds that the Jacksons diverted from the Committee for their own use and benefit); Plea Agreement at 1, *United States v. Jesse Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 8); Plea Agreement at 1, *United States v. Sandra Jackson*, 1:13-cr-00059 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 12); *see also* Transcript of Sentencing, *United States v. Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Sept. 19, 2013) (Dkt. Entry No. 58) at 27:9-15 (ordering Jackson Jr.'s forfeiture to the U.S. Treasury "for the benefit of the people it represents" in lieu of restitution to the Committee because "the victim that was lied to at bottom was ... the system, the United States government. The people.").

⁶ *See* MUR 6761 (Kenneth A. Barfield) (declining, after RTB finding of Barfield's knowing and willful violation of 52 U.S.C. §§ 30102(b), 30102(c), 30114, 30116, 30122, and 30125(e), to further pursue action against Barfield, who had pleaded guilty to three criminal counts, including "Embezzlement of Funds Contributed to a Federal Candidate," was sentenced to eighty-seven months in federal prison, and was ordered to pay \$2,940,821 in restitution); F&LA at 1-2, MUR 7072 (Babulal Bera) (Jan. 4, 2017) (declining to further pursue action against perpetrator of conduit scheme "among the largest [ever] considered" after Bera pleaded guilty to one criminal count each under 52 U.S.C. §§ 30116(a)(1)(A) and 30122 and was sentenced to prison term of one year and one day, supervised release for a term of 36 months, and a criminal fine of \$100,000, while also noting statute of limitations concerns and respondent's advanced age); F&LA at 2, 5, MUR 6231 (Glenn Marshall) (Nov. 17, 2009) (declining to further pursue action against Marshall, who had pleaded guilty to five criminal counts for knowing and willful violations of provisions now codified at 52 U.S.C. §§ 30118 and 30122 and was sentenced to forty-one month term in federal prison and ordered to pay restitution of \$467,612.62); F&LA at 1, MUR 6232 (Gladwin Gill) (Nov. 17, 2009) (declining to further pursue action against Marshall, who had pleaded guilty to one criminal count of making contributions in the name of another in violation of the provision now codified at 52 U.S.C. § 30122 and was sentenced to one year and one day in federal prison, followed by three years of supervised release, and was fined \$200,100).

1 of did not directly relate to the facts of the civil matter under review, or did not directly relate to
2 a federal campaign finance law violation.⁷

3 In light of the Jacksons' criminal sentences and the defunct Committee, we recommend
4 that the Commission take no further action and close the file with respect to the Committee and
5 the Jacksons.

6 1. Jesse Jackson, Jr. and Sandra Jackson

7 When the Commission made its reason to believe findings against the Jacksons, the
8 available record indicated that they had violated the Act by converting the Committee's funds to
9 personal use.⁸ Our investigation confirmed the nature and general scope of the Jacksons'
10 conversion of hundreds of thousands of dollars of campaign funds to personal use. Given the
11 scope of the misconduct, however, our investigation did not uncover additional details that
12 would allow us to determine the amount and date of every disbursement representing the
13 conversion of campaign funds to personal use.⁹

⁷ See Conciliation Agreement, MUR 6465 (John Junker) (Nov. 7, 2013) (conciliating penalties, including \$25,000 civil penalty, after RTB finding of knowing and willful violation of provisions now codified at 52 U.S.C. §§ 30118(a), 30122 with respondent who would later plead guilty to one count of criminal conspiracy under 18 U.S.C. § 371, rather than campaign finance violation); Conciliation Agreement at 1, MUR 6179 (Christopher Ward) (Nov. 29, 2010) (conciliating after RTB finding of knowing and willful violation of provisions now codified at §§ 30102(b)(3), (c), (d), (h)(1), and 30104(b), as well as 11 C.F.R. § 104.14(d), with respondent who pleaded guilty to one count of criminal "Interstate Transportation of Stolen Property" in violation of 18 U.S.C. § 2314, rather than campaign finance violation); Conciliation Agreement at 1, MUR 5971 (Mary Jennifer Adams) (Feb. 13, 2009) (conciliating after RTB finding of knowing and willful violation of provisions now codified at 52 U.S.C. §§ 30102(b)-(c), 30104(b), and 30114 with respondent who pleaded guilty to five counts of "Breach of Trust with Fraudulent Intent" and one count of "Financial Identity Fraud" in violation of state law, S.C. Code Ann. §§ 16-13-230 and 16-13-510 (1976), rather than federal campaign finance violation).

⁸ See 52 U.S.C. § 30114(b) (prohibiting the conversion of campaign funds to personal use); 11 C.F.R. § 113.1(g) (describing "personal use"). The Commission also found reason to believe Jackson, Jr. had violated the Act's corporate contribution prohibition by accepting corporate payments of his debt. See 52 U.S.C. § 30118.

⁹ This is, in part, due to the non-cooperation of the Jacksons in our investigation. The Jacksons' separate counsel offered no substantive responses to our inquiries, and both counsel later withdrew from representing the Jacksons in this matter. The Jacksons did not respond to our attempts to contact them directly.

1 Jackson, Jr. completed his prison sentence in September 2015 and his supervised release
2 in March 2017; Sandra Jackson completed her prison sentence in October 2016.¹⁰ Court records
3 indicate that, at the time of the Jacksons' sentencing, neither Jackson, Jr. nor Sandra had the
4 ability to pay a fine.¹¹ In light of the prison sentences served by the Jacksons, the Jacksons'
5 post-prison supervised release, the \$750,000 Jackson, Jr. paid to the U.S. Treasury (in addition to
6 the forfeiture of tangible assets derived from or traceable to the personal use), the restitution
7 Sandra Jackson paid to the IRS, we recommend that the Commission take no further action.¹²
8 Moreover, we conclude that Jackson, Jr.'s prison sentence and substantial forfeiture – from his
9 guilty plea under 18 U.S.C. §§ 371 and 1001, for conspiracy to commit, among other overt acts,
10 a false statement in FECA reporting obligations – sufficiently vindicate the Commission's
11 enforcement interests under the Act.¹³ Under these specific circumstances, we recommend that
12 the Commission take no further action as to the Jacksons.

¹⁰ See Minute Order granting Motion for Early Termination of Supervised Release, *United States v. Jesse Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Mar. 7, 2017); see also Lynn Sweet, *Jesse Jackson Jr. Completes Prison Sentence*, CHICAGO SUN-TIMES, Sept. 18, 2015, <http://chicago.suntimes.com/news/jesse-jackson-jr-completes-prison-sentence>; Katherine Skiba, *Ex-Ald. Sandi Jackson Completes Prison term, Joins Husband on Parole*, CHICAGO TRIBUNE, Oct. 18, 2016, <http://www.chicagotribune.com/news/local/breaking/ct-sandi-jackson-prison-term-ends-met-20161017-story.html>. The docket in Sandra Jackson's criminal case does not show her supervised release status.

¹¹ See Transcript of Sentencing, *United States v. Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Sept. 19, 2013) (Dkt. Entry No. 58) at 99:22-23, 117:11-12. The Commission does not know the current ability of the Jacksons to pay a civil penalty.

¹² See, e.g., Third General Counsel's Report, MUR 5155 (Friends for a Democratic White House) (2006) at 3 (recommending no further action after criminal conviction for similar reasons); Third General Counsel's Report, MUR 5385 (Groundswell Voters PAC) (2006) at 5-6 (same); see also Third General Counsel's Report, MUR 6761 (Barfield) (2017) (describing rationale for taking no further action in civil enforcement subsequent to criminal conviction on a FECA count).

¹³ See Third General Counsel's Report, MUR 6761 (Barfield) (2017); see also Information, *United States v. Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Feb. 15, 2013) (Dkt. Entry No. 1) at ¶¶ 11, 12(d), 13(f) (describing personal use goal of the conspiracy and the filing of false reports with the Commission to further that goal).

1 2. Jesse Jackson, Jr. for Congress

2 The Commission found reason to believe the Committee violated the personal use and
3 corporate contribution provisions on the same facts underlying the reason to believe findings
4 against Jackson, Jr.¹⁴ Our investigation confirmed the criminal court's conclusion that the
5 Committee was merely an instrument in the Jacksons' personal use scheme that had "no real
6 existence independent of him."¹⁵ It is undisputed that the Committee is now defunct; it has not
7 filed a disclosure report with the Commission since December 3, 2012, and has been without a
8 treasurer since Pasley resigned on or about August 29, 2013. The Committee had closed its bank
9 and credit card accounts by the spring of 2013, and currently appears to have no funds or assets.
10 The Commission has been unable to collect fines that it levied against the Committee in three
11 Administrative Fine matters dating back to 2013.¹⁶

12 In light of the insolvency of the Committee, the lack of ongoing Committee activity, and
13 the reasons given above for taking no further action with respect to Jackson, Jr., we recommend
14 that the Commission take no further action as to the Committee.

¹⁴ See 52 U.S.C. §§ 30114, 30118. The Commission also found reason to believe the Committee had violated the Act's reporting requirements. See 52 U.S.C. § 30104.

¹⁵ Transcript of Sentencing, *United States v. Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Sept. 19, 2013) (Dkt. Entry No. 58) at 24:19-20. At Jackson, Jr.'s sentencing hearing, the United States District Court for the District of Columbia found that "the campaign is defunct" and that it "no longer exists, and it has no ongoing function to serve if it did exist." *Id.* at 24:14, 25:25-26:1; see also Sentencing Memorandum, *United States v. Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Sept. 19, 2013) (Dkt. Entry No. 26) at 40-41 (characterizing the Committee as another "victim of [Jackson, Jr.'s] criminal office because [he] stole funds from it" and arguing that the Committee "never functioned as the independent entity envisioned under campaign finance law. . . . Here, [Jackson, Jr.] structured his Campaign to ensure that it never obtained any level of independence from him.").

¹⁶ See, e.g., Administrative Fine Cases 2714, 2750, 2757.

1 **B. Take No Further Action as to Committee Treasurers Jones and Pasley**

2 Jones was the Committee's treasurer from December 2006 until Pasley became treasurer
3 in August 2008. Pasley remained the Committee's treasurer until after the Jacksons were
4 sentenced in August 2013. The Commission found reason to believe Jones and Pasley had
5 violated the Act's recordkeeping and reporting requirements.¹⁷ We now recommend that the
6 Commission take no further action and close the file with respect to Jones and Pasley.

7 1. Treasurer Jones

8 Jones was cooperative in our investigation, participating in several interviews with us and
9 providing written documents. Our investigation indicates that Jones was essentially coerced to
10 aid in the Jacksons' scheme. Jones prepared the Committee's disclosure reports, at the Jacksons'
11 direction, from approximately 2005 through April 2013, spanning a period from before she was
12 the Committee's treasurer to after she ceased being the Committee's treasurer.¹⁸ Jones claims
13 that during that time, whenever she challenged Jackson, Jr. regarding the legitimacy of particular
14 disbursements, he became evasive and threatened Jones's job if she did not comply with his
15 requests or if she contacted Sandra Jackson about the reports.¹⁹ According to Jones, the amounts
16 and purposes provided for expenditures in the reports were therefore sometimes entirely

¹⁷ See 52 U.S.C. §§ 30102(c), 30104. The Commission also found reason to believe Jones had violated the Act's accounting requirements and the personal use prohibition. See 52 U.S.C. §§ 30102(b), 30114. See, e.g., Third General Counsel's Report, MUR 5155 (Friends for a Democratic White House) (2006) at 3 (recommending no further action against a committee for similar reasons after criminal conviction of committee's chief of staff).

¹⁸ For each report, Jones claimed that she would reconcile the Committee's American Express bills and review the Committee's cash-on-hand balance from its bank account statements before meeting with the Jacksons — at first with both Sandra Jackson and Jackson, Jr., but starting in 2008, as the Jacksons' personal use of campaign funds increased, only with Jackson, Jr. — for them to direct Jones as to which disbursements should be included in the Committee's disclosure reports, and what amounts and purposes Jones should list in the reports. Statement of Offense ¶ 4; Report of Investigation of Terri Jones at 1-3 (Mar. 6, 2014) ("Jones ROI #1").

¹⁹ Jones ROI #1 at 2; Memorandum re June 11, 2014 Teleconference with Christopher Mead, Counsel to Terri Jones (June 13, 2014) at 3; see Report of Investigation of Terri Jones (July 11, 2014).

1 fabricated, and only the Committee's disclosure reports filed prior to 2008 accurately reflect its
2 expenditures.²⁰ In addition, Jackson, Jr. used Jones as a conduit for personal expenses: From
3 2008 through 2012, Jackson, Jr. routed approximately \$86,000 to Jones and directed her to
4 deposit the funds into her personal account, then pay Jackson, Jr.'s personal expenses from that
5 account.²¹ Jones claims that she did not profit from this scheme; she paid out over \$77,300 as
6 Jackson, Jr. directed, and kept the remaining funds — less than \$8,700 — as compensation for
7 her data entry work in the Committee's database.²²

8 Jones disputes neither her role in the Jacksons' scheme nor the Commission's reason to
9 believe findings. Jones notes, however, that she received no benefit from her participation in the
10 scheme and was forced to participate in order to remain employed. Jones represented to us that
11 she unsuccessfully sought alternative employment both during the scheme and after Jackson Jr.'s
12 eventual resignation; Jones later lost her home to foreclosure.²³

13 Under the specific circumstances of this matter, including the reasons stated above for
14 recommending taking no further action against the Jacksons or the Committee; the Jacksons'
15 apparent coercion of Jones to participate in their scheme; and Jones's cooperation in our
16 investigation, we recommend that the Commission take no further action with respect to Jones.

²⁰ Jones ROI #1 at 2, 4.

²¹ Jackson, Jr. directed Jones to use these funds to pay his personal American Express bill, pay various contractors renovating his Washington, D.C. home, and purchase elk heads for his Congressional office. Jones ROI #1 at 4-5; JONES 000050-99 (copies of negotiated commercial paper and American Express documents showing payments from Jones' account). Jones made clear that these payments were only at Jackson, Jr.'s direction; Sandra Jackson never asked Jones to write checks from the Committee's account or from Jones's personal account using Committee funds for non-campaign-related expenditures. Jones ROI #1 at 5.

²² *Id.* at 4-5; JONES 000050-51. Jones reported this compensation on her adjusted tax returns. Jones ROI #1 at 5.

²³ See Jones ROI #1 at 7.

1 2. Treasurer Pasley

2 Pasley signed every disclosure report that the Committee filed with the Commission
3 during her tenure as treasurer. Nonetheless, in her pre-RTB response, Pasley denied any
4 wrongdoing with respect to those inaccurate reports, arguing that she did not prepare the reports
5 and had essentially no control or involvement in the Committee's finances.²⁴ She maintained
6 that she served competently as treasurer, asserting that she "perused" final reports of the
7 Committee's disbursements and bank reconciliations, and received "reasonable and plausible"
8 explanations for any concerns she raised regarding expenditures.²⁵ Like Jones, Pasley asserted
9 that she is a victim of the Jacksons and stated that she "inured no personal or business benefit"
10 from the Jacksons' scheme.²⁶

11 Information uncovered by our investigation corroborates some of Pasley's claims. Jones
12 revealed that she, not Pasley, prepared and submitted the Committee's disclosure reports even
13 after Pasley succeeded her as treasurer,²⁷ and Jones recalled only a single conversation that she
14 had with Pasley regarding the disclosure reports.²⁸ Jones also stated that the Jacksons
15 themselves — and to her knowledge, no one else — reviewed and reconciled the Committee's
16 financial statements during the period that Pasley was treasurer.²⁹ This is consistent both with
17 the criminal court's understanding of the Committee as Jackson, Jr.'s "alter ego" with "no real

²⁴ See Pasley Resp. at 2 (May 11, 2013).

²⁵ *Id.*

²⁶ *Id.* at 2-3.

²⁷ Jones ROI #1 at 1.

²⁸ *Id.*

²⁹ *Id.*

1001420001

1 existence independent of him"³⁰ and with Pasley's assertion that she, too, was a victim of the
2 Jacksons' duplicity.

3 In light of our recommendations with respect to the Jacksons, the Committee, and Jones,
4 we recommend that the Commission take no further action as to Pasley.

5 **C. Take No Further Action as to Jerome Rowan, Rowan International, LLC,**
6 **Gregory Calhoun, and Calhoun Enterprises, Inc. and Take No Action as to**
7 **Tami White**

8 The Commission found reason to believe that Unknown Persons E and F and their
9 respective corporations each violated the Act's prohibition on corporate contributions when they
10 made payments against the Jacksons' personal credit card debt; the Commission took no action
11 against Unknown Person D for payments against the Jacksons' debt because the amount in
12 violation was possibly within contribution limits.³¹ Our investigation identified Tami White as
13 "Person D," Jerome P. Rowan as "Person E," Rowan International, LLC ("Rowan International")
14 as "Person E's Corporation," Gregory B. Calhoun as "Person F," and Calhoun Enterprises, Inc.
15 ("Calhoun Enterprises") as "Person F's Corporation." Accordingly, we recommend that the
16 Commission substitute the actual names of these Respondents, as appropriate, for "Unknown
17 Person" or "Unknown Person's Corporation."

18 White, Rowan International, and Calhoun Enterprises' payments of the Jacksons' debt
19 would, as third party payments of a candidate's personal expenses, be considered contributions
20 unless the payments would have been made irrespective of Jackson Jr.'s candidacy.³² If such

³⁰ Transcript of Sentencing, *United States v. Jackson, Jr.*, 1:13-cr-00058 (D.D.C. Sept. 19, 2013) (Dkt. Entry No. 58) at 24:19-20.

³¹ Cert. ¶¶ 9-10 (Dec. 3, 2013). In the First General Counsel's Report, we recommended that the Commission take no action at that time concerning Person D's alleged \$1,500 contribution. First Gen. Counsel's Rpt. at 13, n.50. The Commission did not vote on that recommendation. See MUR 6766 (Jackson, Jr., *et al.*) Cert. (Dec. 3, 2013).

³² 11 C.F.R. § 113.1(g)(6); and see Advisory Op. 2000-08 at 3-4 (Harvey).

1 payments – whether gifts or loans – are “contributions,” they are subject to the Act’s corporate
2 contribution prohibition and amount limitations.³³ Information obtained in our investigation,
3 however, suggests that White, Rowan International, and Calhoun Enterprises’ payments may
4 have been made irrespective of Jackson, Jr.’s candidacy such that they were not “contributions.”
5 Accordingly, we recommend that the Commission take no further action and close the file with
6 respect to Rowan, Rowan International, Calhoun, and Calhoun Enterprises and take no action
7 and close the file as to White.

8 1. Tami White

9 White received a total of \$15,000 in cash from Jackson, Jr. between on or about August
10 21, 2009, and September 3, 2009, and subsequently made a \$16,500 payment against the
11 Jacksons’ personal credit card debt.³⁴ White has known Jackson, Jr. since the mid- to late-
12 1990s,³⁵ and volunteered as an unofficial fundraising chairman for the Committee prior to
13 2005.³⁶ White stated that the Jacksons are very good friends and godparents to White’s son.³⁷

³³ 52 U.S.C. §§ 30101(8)(A), 30116(a), 30118(a), 30118(b)(2); 11 C.F.R. §§ 100.52(d)(1), 110.1(b), 114.1(a)(1); *see also* Advisory Op. 2000-08 at 3-4 (Harvey) (gifts to candidates for personal use are subject to the Act’s individual contribution limits).

³⁴ *See* First Gen. Counsel’s Rpt. at 12-13; FBI FD-302 of Tami White at 2-3 (Nov. 14, 2012) (“White 302”) (describing White’s deposit into her personal account of a total of \$15,000 cash provided by Jesse Jackson, Jr. from August 21, 2009 through September 3, 2009). There is a discrepancy between facts in the FBI FD-302 of White’s Interview (which indicates that White believed that the cash had originated from campaign fundraising and was being applied to the balance on the Committee’s credit card (White 302 at 3)) and in the Statement of Offense (which indicates that Jackson, Jr. represented to White that this cash was given to him by family members and was used to pay down balances on his personal credit card (Statement of Offense ¶ 54)). Where these accounts differ, we base our recommendations to the Commission on the account in the Statement of Offense, which we find more reliable because it was submitted under oath.

³⁵ Report of Investigation of Charles Dujon at 4 (Sept. 18, 2014).

³⁶ White 302 at 1. In the course of conducting our investigation, we attempted to contact White, but were unable to find a valid address or telephone number for her.

³⁷ *Id.*

1 On at least two prior occasions, White lent Jackson, Jr. money without asking him to repay it.³⁸
2 Thus, because White's conduct in this matter appears to comport with a history of loaning money
3 to the Jacksons as part of their longstanding friendship, and appears to have been made
4 irrespective of Jackson Jr.'s candidacy, we conclude that the loan was not a contribution.³⁹
5 Moreover, even if White's net payment of \$1,500 to Jackson, Jr. were a contribution, it was her
6 only contribution to him during the 2010 election cycle, and, therefore, would have been within
7 the Act's individual contribution limit.⁴⁰ We thus recommend the Commission take no action
8 with respect to White.

9 2. James Rowan and Rowan International

10 Rowan International is an Illinois consulting firm that paid \$3,500 from a corporate
11 account toward the Jacksons' personal credit card debt.⁴¹ Rowan appears to have known
12 Jackson, Jr. at least since 1995, and possibly since 1988, when Rowan worked for Jesse Jackson,
13 Sr.'s presidential campaign.⁴² Rowan would stay at the Jacksons' home in Washington, D.C.,
14 and considered himself like a godfather to the Jacksons' children; on approximately three
15 occasions, Rowan gave Sandra Jackson's mother between \$100 and \$300 as personal gifts for
16 the Jacksons' children.⁴³ Rowan similarly viewed the \$3,500 payment on the Jacksons' personal

³⁸ *Id.* at 5.

³⁹ See AO 2000-08 (Harvey) at 3-4 (distinguishing, in personal use "irrespective" analysis, a third party's payments of candidate expenses "to reward the candidate for his decision to run" from payments "of a personal nature which had been customarily received prior to candidacy").

⁴⁰ See 52 U.S.C. § 30116(a)(1)(A).

⁴¹ See First Gen. Counsel's Rpt. at 12-13; FBI FD-302 of Jerome Rowan at 2-3 (Nov. 14, 2012) ("Rowan 302") (describing payment of \$3,500 by Rowan International, LLC, located in Illinois, to American Express for Jackson, Jr.'s personal account).

⁴² Rowan 302 at 2.

⁴³ *Id.*

1 credit card account as an outstanding loan made in friendship.⁴⁴ Jackson, Jr. did not repay the
2 loan before Rowan died on July 5, 2013.⁴⁵

3 In light of Rowan's longstanding personal relationship with, and history of giving money
4 to the Jacksons, we conclude that the Rowan International payment may have been made
5 irrespective of Jackson, Jr.'s candidacy. Even if the payment from Rowan International were not
6 made irrespective of Jackson Jr.'s candidacy, the Commission should nonetheless take no further
7 action and close the file as to Rowan and Rowan International because Rowan is deceased and,
8 in light of our recommendations for the other respondents in this matter, further pursuit of this
9 matter against Rowan International would not be a prudent use of Commission resources.

10 3. Gregory Calhoun and Calhoun Enterprises

11 Calhoun Enterprises paid \$25,000 from a corporate account toward the Jacksons'
12 personal credit card debt.⁴⁶ Like White and Rowan, Calhoun had a longstanding relationship
13 with Jackson, Jr. Calhoun first met Jesse Jackson, Sr. in 1984 or 1985 and became very close
14 with the Jackson family, such that Jackson, Jr. called Calhoun "Uncle Greg."⁴⁷ Over the years,
15 the Calhoun and Jackson families spent the night at each other's homes.⁴⁸ In early April 2011,
16 Jackson, Jr. asked Calhoun for a \$35,000 loan to help pay down personal debts; Calhoun and his
17 wife agreed to loan Jackson, Jr. \$25,000, which Jackson, Jr. secured by giving Calhoun a fedora

⁴⁴ *Id.* at 3.

⁴⁵ Obituary, JERSEY JOURNAL (July 9, 2013), <http://obits.nj.com/obituaries/jerseyjournal/obituary.aspx?pid=165752042>.

⁴⁶ See First Gen. Counsel's Rpt. at 12-13; FBI FD-302 of Gregory Bernard Calhoun at 1-2 (Feb. 26, 2013) ("Calhoun 302") (describing payment of \$25,000 from Calhoun Enterprises, located in Montgomery, Alabama, to American Express for Jackson, Jr.'s personal account).

⁴⁷ Calhoun 302 at 1.

⁴⁸ *Id.*

1 autographed by Michael Jackson as collateral.⁴⁹ On April 25, 2011, Calhoun paid \$25,000,
2 drawn from his business, Calhoun Enterprises, directly to Jackson, Jr.'s personal credit card
3 account, and recorded the transaction as a receivable, indicating that he expected Jackson, Jr. to
4 repay the loan.⁵⁰

5 Calhoun, unlike White and Rowan, has no apparent history of loaning or giving money to
6 the Jacksons. Despite Calhoun's longstanding personal relationship with the Jacksons, we do not
7 have enough information to determine that Calhoun Enterprises' payment may have been made
8 irrespective of Jackson, Jr.'s candidacy. Nonetheless, in light of our recommendations for the
9 other respondents in this matter, we conclude that the proper ordering of the Commission's
10 priorities and use of its resources would be best served by taking no further action with respect to
11 Calhoun and Calhoun Enterprises.

12 III. RECOMMENDATIONS

- 13 1. Substitute the name of Tami White, as appropriate, in place of "Unknown Person D";
- 14 2. Substitute the names of Jerome P. Rowan and Rowan International, LLC, as
15 appropriate, in place of "Unknown Person E" and "Unknown Person E's
16 Corporation," respectively, in the Commission's previous finding of reason to believe
17 that Unknown Person E and Unknown Person E's Corporation each violated
18 52 U.S.C. § 30118;
- 19 3. Substitute the names of Gregory B. Calhoun and Calhoun Enterprises, Inc., as
20 appropriate, in place of "Unknown Person F" and "Unknown Person F's
21 Corporation," respectively, in the Commission's previous finding of reason to believe
22 that Unknown Person F and Unknown Person F's Corporation each violated
23 52 U.S.C. § 30118;
- 24 4. Take no further action against Gregory B. Calhoun and Calhoun Enterprises, Inc.,
25 Jesse Jackson, Jr., Jesse Jackson, Jr. for Congress and Jesse Jackson, Jr. in his official

⁴⁹ *Id.* at 1-2.

⁵⁰ *Id.* at 2 (also indicating that Calhoun was aware that Jackson, Jr. might never repay the loan).

